



COUNCIL *on* FOUNDATIONS

# CAREER PATHWAYS TO PHILANTHROPIC LEADERSHIP

Effectiveness



Inclusion



Grantmaking



Talent



Diversity

## BASELINE REPORT

Excellence

Executive

## Who We Are

The **Council on Foundations** is a national nonprofit association of approximately 2,000 grantmaking foundations and corporations. As a leader in philanthropy, we strive to increase the effectiveness, stewardship, and accountability of our sector while providing our members with the services and support they need for success.

## Our Mission

The mission of the Council on Foundations is: *to provide the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance, and sustain their ability to advance the common good.*

## Statement of Inclusiveness

The Council on Foundations was formed to promote responsible and effective philanthropy. The mission requires a commitment to inclusiveness as a fundamental operating principle. It also calls for an active and ongoing process that affirms human diversity in its many forms, encompassing but not limited to: ethnicity, race, gender, sexual orientation and identification, age, economic circumstance, class, disability, geography, and philosophy. We seek diversity to ensure that a range of perspectives, opinions, and experiences are recognized and acted upon in achieving the Council's mission. The Council also asks members to make a similar commitment to inclusiveness to better enhance their abilities to contribute to the common good of our changing society. As a national voice of philanthropy, the Council is committed to promoting diversity. We are equally committed to including a wide range of perspectives, opinions, and experiences as we work to achieve our mission. Similarly, we ask Council members to commit to diversity and inclusiveness to enhance their own work. To that end, we provide them with the tools, educational programs, and opportunities they require to more effectively serve the common good.



**COUNCIL on FOUNDATIONS**

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# CAREER PATHWAYS TO PHILANTHROPIC LEADERSHIP

A Baseline Report on Executive Hiring and Keys to Success for Emerging Leaders in Philanthropy

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# Six Key Highlights

This research is about leadership in philanthropy—how individuals make their way to top positions and how philanthropic organizations choose their leaders. We have at least four expectations for this research: That it will help us learn more about the professional and individual characteristics of those hired into foundation executive positions; that it will suggest ways to strengthen the Council on Foundations' efforts to widen the Career Pathways to Philanthropic Leadership project; that it will support the field's ability to enhance hiring practices; and that it will bring attention to the need for future research in this area.

Here are the six key highlights from the research:

1. The majority (79.5%) of the 440 foundations appointing CEOs and executive directors during the study period filled them *not* through internal promotions but from candidates outside the foundations.
2. Most of the successful candidates (63.4%) held executive positions in their immediate prior position as either chief executive (38.9%) or vice president (24.5%) before successfully landing in their current position.
3. The majority of the successful candidates made the transition from fields outside of philanthropy—primarily from the business (24.3%) and nonprofit (24.8%) sectors.
4. Of the successful candidates, nearly 20 percent were from racially and ethnically diverse backgrounds and about half (48.7%) were women.
5. Thirty percent of field leaders who were interviewed said mentors played a major role in their career advancement.
6. About 85 percent of the interviewees expressed significant skepticism about the willingness of trustees, search consultants, and other hiring decision makers to be influenced by leadership development efforts (such as fellowship programs that train new leaders) as they contemplate hiring decisions about executive candidates.

# Introduction

In 2009, the Council on Foundations commissioned two research projects to inform the development and launch of the Career Pathways to Philanthropic Leadership project, which focuses on inclusive practices in philanthropic leadership, talent acquisition, and management.

These two research projects, “Field Leaders Advise” and “A 2004–2008 Descriptive Analysis of Executive Hiring Patterns,” were designed to deepen awareness about, and to develop new insights into, *four* important questions about foundation and grantmaking leaders:

1. What are the professional backgrounds and profiles of CEOs and executive directors of foundations and grantmaking organizations?
2. What are the personal demographic characteristics—gender, race, and ethnicity—of these individuals?
3. What are the keys to career success and advancement (including volunteer leadership, such as board appointments) for philanthropic leaders?
4. How can the pathway to careers and positions of leadership in philanthropy be broadened to improve leadership in the field?<sup>1</sup>

The research is a combination of qualitative and quantitative approaches to understanding philanthropic leadership positions. The quantitative study, “A 2004–2008 Descriptive Analysis of Executive Hiring Patterns,” examined the appointment of 440 CEOs and executive directors from January 1, 2004, to December 31, 2008, and collected information about the appointing foundations themselves. Key data points from this study include whether the successful candidates were promoted from within the appointing organizations, whether appointees worked for other foundations, and whether they entered philanthropic leadership from a different field, such as government, nonprofit, or business. The study also captured data about the race, ethnicity, and gender of the study cohort.

The companion qualitative project, “Field Leaders Advise,” identified major milestones of professional success in philanthropic leadership positions and suggested ways to launch successful pipeline expansion programs. Through structured interviews, 50 foundation CEOs, trustees, foundation executives, and other colleagues related what they believed to be the key influences on their success and those of colleagues: champions, mentors, and professional exposure to major decision makers were cited.





# Rationale:

## Why These Studies? Why Now?

To the best of our knowledge, the Council's two career pathways studies are unique in the ways they capture and contribute new baseline information for the field. Employing both quantitative and qualitative methods, these studies aggregated the characteristics of 440 executive appointments to foundations and grantmaking programs with one or more staff.<sup>2</sup> And, at the same time, the studies facilitated a dialogue with individual executives and trustees, encouraging them to offer personal insights about their keys to success.

What was once known only anecdotally about leadership characteristics, the professional backgrounds of leaders, and key levers to success in philanthropic leadership is now documented, quantifiable, and available for comparison, testing, examination, and exploration. It is important to note that, while these studies are not a representative sample of all executive appointments during the five-year study period (2004–2008), a robust baseline now exists. And this baseline comes at an important point in the field of philanthropy: Leadership is changing in fundamental ways and at all levels.

One such change is the race for talent. A 2008 report, produced by CompassPoint Nonprofit Services, argues, “The charitable sector will be increasingly drawn into an all-out war for talent with the government and business sector.”<sup>3</sup>

Reinforcing the race-for-talent idea, a 2006 report produced by the Bridgespan Group, Inc.<sup>4</sup> suggests, “The nonprofit sector will likely need nearly 80,000 new leaders in 2016.” (Note: It is unclear how the current state of the economy might affect this prediction.) The report goes on to say, “The sector also lacks robust management-education and executive-search capabilities.” The stunning prediction of future talent wars, coupled with seismic shifts in the need for new leaders, are further reinforced by the findings contained in the 2006 CompassPoint report that found, “Nearly half—47%—of non-retiring executives said they would like to work in philanthropy or consulting.” The burdens of fundraising and relatively low wages are often cited as the primary reason for leaving the nonprofit sector for what is often viewed as the greener pastures of grantmaking.

As changes to the field accelerate, philanthropy has all the more reason to understand how it chooses leaders. The field also needs to advance a conversation among—and lift up strategies that engage—trustees and search committees, executives, human resources officers, and search firm representatives. During the next two decades, large numbers of new leaders will take their positions in philanthropy. Their collective impact will define our field.

# Methodology: Bridging Qualitative and Quantitative Approaches

## What Leaders in the Field Said about Leadership

For the Field Leaders Advise project (the qualitative study), researchers conducted hour-long telephone interviews with 50 foundation executives, trustees, nonprofit executives, members of funder networks, and infrastructure colleagues.<sup>5</sup> While these interviews included a small sample of leaders, the selection criteria were far from random. The 32 foundation executives and 16 trustees were selected to reflect a cross section of foundations by type, asset, staff size, funding areas, and geographic regions across the United States.

Although the primary interviewee target group included foundation executives, members of funder networks and infrastructure colleagues were selected because of their unique role in supporting philanthropic leaders and in recognition of the legitimate expertise and knowledge they hold as thought leaders in philanthropy.

The entire interviewee group reflected diversity of race and ethnicity. Study researchers tried to ensure a gender and age balance, including next-generation leaders. The group also included individuals reporting LGBTQ (lesbian, gay, bisexual, transgender, and queer) status and those disclosing varying levels of physical ability.

The interviews primarily were designed to identify milestones and indicators that influence the success of leaders and to solicit interviewees' suggestions about the design and delivery of the Pathways project itself.

This study yielded general recommendations about how an institution and its executives might encourage emerging leaders within their ranks, including specific views about effective inclusion efforts for diverse candidates.

## The Executive Search Story

The quantitative study, “A 2004–2008 Descriptive Analysis of Executive Hiring Patterns,” researched publicly reported CEO and executive director appointments from January 1, 2004, through December 31, 2008—researchers gathered data primarily from *The Chronicle of Philanthropy* and *Philanthropy News Digest*.<sup>6</sup> These two sources were selected because they generally are regarded as two of the most commonly used print and electronic trade publications announcing executive appointments and other industry specific news within the field of philanthropy.

Researchers consulted sources of data on foundation characteristics, including websites for the Foundation Center and individual foundations, to obtain information about the study group's asset size, number of paid staff, foundation type, and geographic location. Obtaining this background data ultimately allowed for cross tabulations with individual-level information, such as industry, position, and personal demographics (including race, ethnicity, and gender).

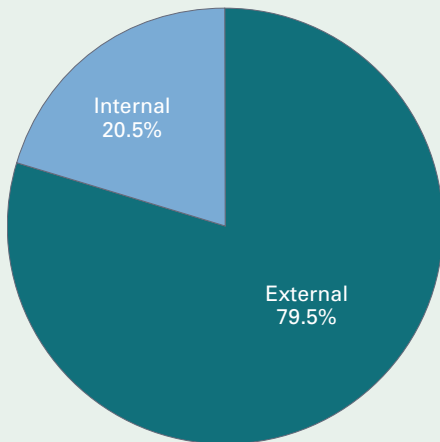
While the analysis of *publicly* reported information contained in the appointment announcements—including characteristics of the foundations appointing senior executives during the study period and the information about the successful candidates themselves—revealed substantive data, additional telephone interviews were needed to identify the personal demographics of the 440 new appointees.<sup>7</sup> We contacted the appointees directly to solicit this information.

This mixed methodological approach uncovered new findings about executive appointments to philanthropy. It is important to the Council that this descriptive analysis serve as a catalyst for more extensive work to understand how pathways to leadership in philanthropy are laid out and how hiring practices can encourage effective identification of future leaders. These two studies, coupled with the Council's Pathways project, are intended to support strong leadership outcomes in philanthropy.

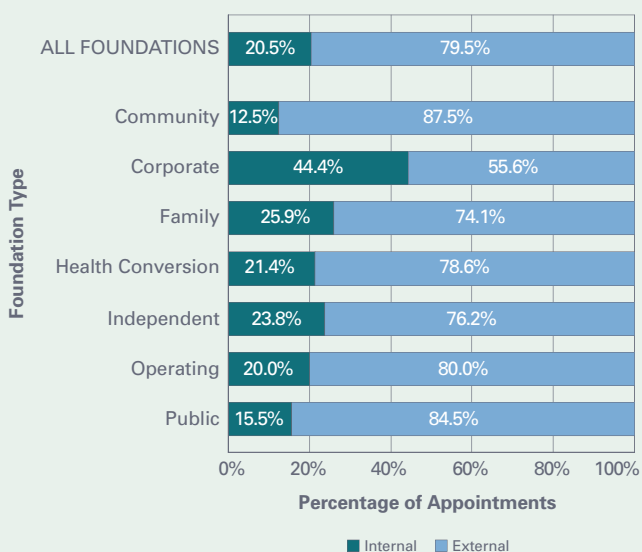
# Findings:

## Implications and Additional Questions

**Figure 1: Percentage of External and Internal Appointments**



**Figure 2: Percentage of Internal and External Appointments by Foundation Type**



### Most Executive New Hires Were Not Promoted from Within

An overwhelming proportion (79.5%) of the 440 executive appointees came from outside of the foundations that hired them. (See Figure 1.) This is especially true of community and public foundations (87.5% and 84.5%, respectively). By contrast, corporate foundations appointed the lowest proportion of external candidates, but, still, more than half (55.6%) of corporate foundation appointees studied were from outside of the corporation. (See Figure 2.)

This finding raises further questions about what search committees, human resources officers, and representatives from search firms look for during the executive search process. For example, is philanthropic experience, such as tenure as a program officer, equally as attractive as other kinds of experience outside of philanthropy or outside of the hiring organization but within a program area, such as health or education? And is philanthropic background sufficiently valued so that it distinguishes the candidate from candidates with business and other nonprofit credentials? Are philanthropic institutions adequately attending to the leadership development of their own employees?



# Most New Appointees Had Previous Executive Experience

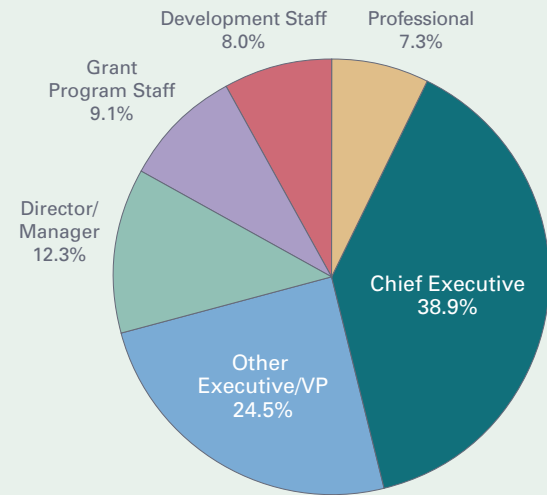
A majority (63.4%) of the new appointees previously held executive positions. Nearly 40 percent had held at least one CEO position and 24.5 percent were in a vice presidential position. There appears to be a strong relationship between the level of past experience and the present executive position. (See Figure 3 and Table 1.)

This finding of previous executive experience was affirmed during the telephone interview phase of the project, in which conversations suggested that the most desired skills and qualifications of new executives include:

- ▶▶ The leadership skills to effect change in large organizations
- ▶▶ The ability to manage philanthropic institutions as levers for social change
- ▶▶ A knowledge of foundation finance basics
- ▶▶ The capacity to create partnerships with other organizations

Indeed, current anecdotal evidence suggests that those who make hiring decisions place value on skill sets, such as financial management, leadership of organizations, and the management of change. But more specifics about the pathways and deliberate career tracks into the top positions clearly are needed.

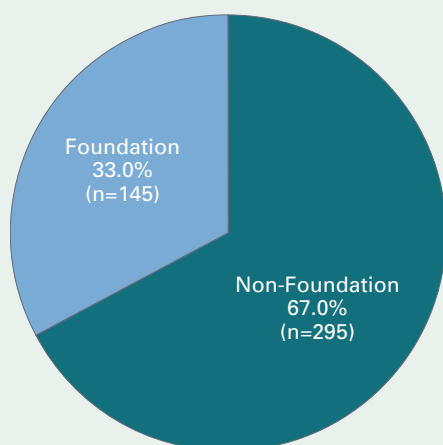
**Figure 3: Prior Position of Appointee**



**Table 1: Appointee Prior Position by Foundation Type**

PRIOR POSITION	FOUNDATION TYPE														TOTAL	
	Community		Corporate		Family		Health Conversion		Independent		Operating		Public			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Chief Executive	34	42.5	14	38.9	24	44.4	6	42.9	31	38.8	10	66.7	52	32.3	171	38.9
Other Executive/VP	19	23.8	8	22.2	10	18.5	5	35.7	23	28.8	0	0.0	43	26.7	108	24.5
Director/Manager	9	11.3	8	22.2	4	7.4	1	7.1	7	8.8	1	6.7	24	14.9	54	12.3
Grant Program Staff	4	5.0	5	13.9	10	18.5	1	7.1	10	12.5	1	6.7	9	5.6	40	9.1
Development Staff	11	13.8	0	0.0	4	7.4	0	0.0	5	6.3	0	0.0	15	9.3	35	8.0
Professional	3	3.8	1	2.8	2	3.7	1	7.1	4	5.0	3	20.0	18	11.2	32	7.3
TOTAL	80	100.0	36	100.0	54	100.0	14	100.0	80	100.0	15	100.0	161	100.0	440	100.0

Note: Due to rounding, totals might not add up to 100%.

**Figure 4: Prior Organization of Appointee**

## Most of the New Hires Were Hired from Outside the Philanthropic Field

Most of the new hires (67%) had *not* worked for a foundation in their prior position. Instead, about 25 percent came from positions in nonprofit organizations, and nearly the same number came from the business sector. (See Figure 4 and Table 2.)

The high rate of outside hiring suggests some questions:

- » Do foundations need to provide a philanthropic context to those coming from outside of philanthropy to boost the newcomers' chances for greater success?
- » What is it about the professional experiences of individuals from the business and nonprofit sector that made their candidacy desirable?
- » What impact, if any, will the presence of executives who have nonprofit experience mean for grantmaker interaction with grantees?
- » To what extent is specific attention paid to cultivating upward movement in philanthropic organizations from the vice president and other levels to the CEO position?
- » Are such ascensions purposely cultivated or do they occur organically?
- » Are there components of leadership initiatives in the corporate, higher education, or governmental sectors that the philanthropic sector should incorporate to foster upward movement and retention?

**Table 2: Appointee Prior Organization**

PRIOR ORGANIZATION		TOTAL		TOTAL	
		#	%	#	%
Foundation	Community Foundations	26	5.9	145	33.0
	Family Foundations	24	5.5		
	Independent Foundations	39	8.9		
	Public Foundations	41	9.3		
	Other Foundations	15	3.4		
Non-Foundation	Nonprofit	109	24.8	295	67.0
	Government	24	5.5		
	Business	107	24.3		
	Health Care	18	4.1		
	Higher Education	37	8.4		
TOTAL		440	100.0	440	100.0

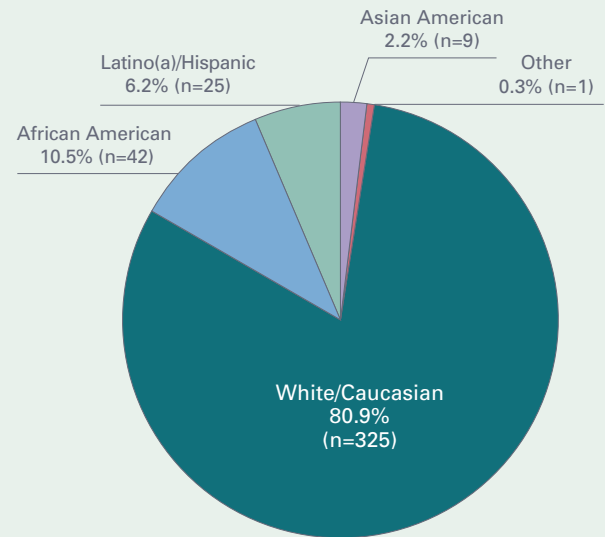
Note: Due to rounding, totals might not add up to 100%.

Of the relatively small number (145 individuals, or 33%) of new hires who had worked in a foundation prior to the executive appointment, a little more than half (74 individuals) were appointed from within the *same* organization. (See Table 3.) With nearly 80 percent of the new hires coming from outside of the foundations that hired them *and* outside of philanthropy, one unavoidable conclusion is that it is difficult to achieve a leadership position from within the field.

## About 20 Percent of the New Hires Were from Diverse Racial and Ethnic Groups

While four out of every five newly appointed chief executives were Caucasian, 10.5 percent were African American and just under 9 percent represented other racial and ethnic groups. (See Figure 5.)

**Figure 5: Race/Ethnicity of Appointee\***

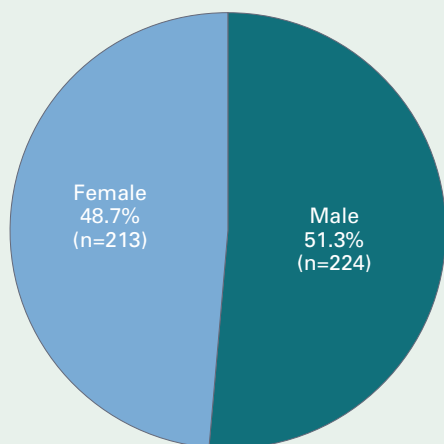


\* Appointees for whom information on race/ethnicity was not available were excluded from this calculation.

**Table 3: Appointee Prior Organization by External or Internal Appointment**

PRIOR ORGANIZATION	APPOINTMENT				TOTAL	
	External		Internal			
	#	%	#	%	#	%
Foundation	71	20.3	74	82.2	145	33.0
Non-Foundation	279	79.7	16*	17.8	295	67.0
TOTAL	350	100.0	90	100.0	440	100.0

\*These individuals who are considered internal appointments but who also did not work for a foundation in their prior position require some explanation. In the majority of cases these are individuals who worked for a corporation and then were appointed to lead that corporation's grantmaking foundation. In a few cases, individuals who had worked for a nonprofit entity under a larger umbrella organization (e.g., a religious institution) were then appointed to lead the grantmaking entity under that same umbrella organization.

**Figure 6: Gender of Appointee\***

\* Appointees for whom information on gender was not available were excluded from this calculation.

Almost half (48.7%) of the new chief executives were women. (See Figure 6.) As shown in Table 4, notable gender interactions with race/ethnicity are evident in the appointment of chief executives. For example, there was more diversity among the newly hired females than among the newly hired males. In fact, in each racial or ethnic group, the *proportion* (percentage) of females was about twice that of males for all but one racial/ethnic group.

These findings prompt a fundamental question: Do the career paths of candidates from diverse backgrounds differ from those of other candidates? The field has an opportunity here to identify and elevate individuals from diverse backgrounds who are already working in desired industries, such as the nonprofit and business sectors. At the same time, the Council's Pathways project and others like it can help foundations that want to diversify their leadership, as well as emerging leaders from diverse racial and ethnic backgrounds, to understand the most effective pathways to leadership positions in philanthropy.

Gender was a significant factor in whether or not appointees had worked for a foundation in their prior position; women (57.6%) were more likely than men (42.4%) to have had a prior position in a foundation. By contrast, the likelihood of having worked previously in a foundation did not systematically differ by race or ethnicity of appointees. (See Table 9.)

Finally, the differences in the racial and ethnic makeup of appointees to various types of foundations are clear. Corporate foundations, while small in number (32),<sup>8</sup>

**Table 4: Race/Ethnicity of Appointee\* by Gender**

RACE/ETHNICITY	GENDER				TOTAL	
	Male		Female			
	#	%	#	%	#	%
White/Caucasian	186	86.5	139	74.3	325	80.9
African American	14	6.5	28	15.0	42	10.5
Latino(a)/Hispanic	10	4.7	15	8.0	25	6.2
Asian American	4	1.9	5	2.7	9	2.2
Other	1	0.5	0	0.0	1	0.3
TOTAL	215	100.0	187	100.0	402*	100.0

\* Appointees for whom information on race/ethnicity or gender was not available were excluded from this table.  
Note: Due to rounding, totals might not add up to 100%.

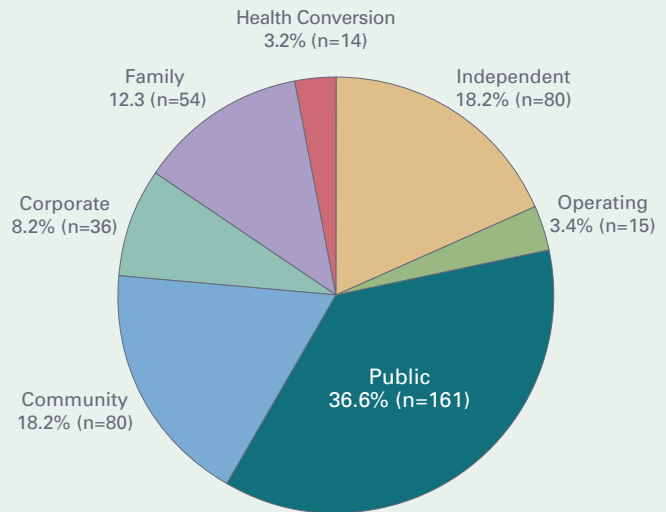
appointed the highest proportion of racial/ethnic minorities (31.3%). Family foundations had the least diverse pool of hires (8.1% from diverse racial or ethnic groups). (See Table 5.)

## What Do We Know about the Hiring Foundations?

Within the study group and during the 2004–2008 study period, public foundations hired twice as many executives (161 individuals or 36.6%) as any of the other foundation types. Community and independent foundations followed but with much lower numbers; they each hired a little more than 18 percent of the total number of appointed foundation and grantmaking leaders. This means that only about 27 percent of the new leaders were appointed by all the other grantmakers, including family and health conversion foundations. (See Figure 7.)

The significant percentage of appointees who had non-profit sector experience might be explained by the fact that public and community foundations have fundraising imperatives that other types of foundations do not. Fundraising, therefore, is a skill that existing foundation staff members probably should cultivate if they are interested in pursuing leadership roles in public and community foundations.

**Figure 7: Hiring Foundations by Type**



**Table 5: Race/Ethnicity and Gender of Appointee\* by Foundation Type**

RACE/ ETHNICITY	FOUNDATION TYPE															
	Community		Corporate		Family		Health Conversion		Independent		Operating		Public			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
White/Caucasian	61	83.6	22	68.8	45	91.8	11	78.6	59	78.7	12	85.7	115	79.3	325	80.9
African American	6	8.2	5	15.6	2	4.1	2	14.3	8	10.7	0	0.0	19	13.1	42	10.5
Latino(a)/Hispanic	6	8.2	3	9.4	1	2.0	1	7.1	5	6.7	1	7.1	8	5.5	25	6.2
Asian American	0	0.0	2	6.3	1	2.0	0	0.0	2	2.7	1	7.1	3	2.1	9	2.2
Other	0	0.0	0	0.0	0	0.0	0	0.0	1	1.3	0	0.0	0	0.0	1	0.3
TOTAL	73	100.0	32	100.0	49	100.0	14	100.0	75	100.0	14	100.0	145	100.0	402*	100.0
GENDER	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Male	37	46.8	15	42.9	24	44.4	9	64.3	44	55.0	9	60.0	86	53.8	224	51.3
Female	42	53.2	20	57.1	30	55.6	5	35.7	36	45.0	6	40.0	74	46.3	213	48.7
TOTAL	79	100.0	35	100.0	54	100.0	14	100.0	80	100.0	15	100.0	160	100.0	437*	100.0

\* Appointees for whom information on race/ethnicity or gender was not available were excluded from this table.

Note: Due to rounding, totals might not add up to 100%.



As [Table 6](#) shows, those foundations at each end of the asset range (highest and lowest) appointed more leaders than those in the middle categories: foundations with less than \$5 million in assets hired 81 executives (or 18.4% of the total) while those with \$250 million or more in assets hired 77 (or 17.5% of the total number of leaders hired).

Foundations with smaller staff sizes (fewer than nine staff members) accounted for more than half of the new hires; this was true among all foundation types except operating foundations (26.7%) and public foundations (42.6%).

Indeed, smaller foundations accounted for about 75 percent of new hires at corporate and family foundations. (See [Table 7](#).) This finding was consistent whether the new hires were external or internal candidates. (See [Table 8](#).)

Unsurprisingly, foundations in California, New York State, and the Washington, D.C., metropolitan area had the highest concentration of new executive appointments. Still, 277 of the 440 appointments (63%) were spread across the rest of the United States.

**Table 6: New Hires by Foundation Asset Size and Foundation Type**

ASSET SIZE (in millions)	FOUNDATION TYPE														TOTAL	
	Community		Corporate		Family		Health Conversion		Independent		Operating		Public			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less than \$5	12	15.0	3	8.3	4	7.4	0	0.0	6	7.5	2	13.3	54	33.5	81	18.4
\$5 – 9.9	8	10.0	2	5.6	0	0.0	0	0.0	0	0.0	0	0.0	27	16.8	37	8.4
\$10 – \$24.9	8	10.0	5	13.9	7	13.0	1	7.1	7	8.8	3	20.0	25	15.5	56	12.7
\$25 – \$49.9	12	15.0	9	25.0	7	13.0	0	0.0	4	5.0	0	0.0	18	11.2	50	11.4
\$50 – \$99.9	14	17.5	9	25.0	9	16.7	3	21.4	18	22.5	5	33.3	15	9.3	73	16.6
\$100 – \$249.9	14	17.5	5	13.9	12	22.2	5	35.7	13	16.3	4	26.7	13	8.1	66	15.0
\$250 or more	12	15.0	3	8.3	15	27.8	5	35.7	32	40.0	1	6.7	9	5.6	77	17.5
TOTAL	80	100.0	36	100.0	54	100.0	14	100.0	80	100.0	15	100.0	161	100.0	440	100.0
AVERAGE*	\$48.0		\$48.5		\$102.2		\$178.2		\$167.0		\$91.7		\$9.9		\$48.5	

\* Average asset size is calculated as the median.

Note: Due to rounding, totals might not add up to 100%.

**Table 7: New Hires by Foundation Staff Size and Foundation Type**

STAFF SIZE	FOUNDATION TYPE														TOTAL	
	Community		Corporate		Family		Health Conversion		Independent		Operating		Public			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Fewer than 5	29	36.3	7	33.3	26	56.5	2	14.3	23	31.5	0	0.0	37	23.9	124	30.7
5 – 9	28	35.0	9	42.9	8	17.4	6	42.9	17	23.3	4	26.7	29	18.7	101	25.0
10 – 19	10	12.5	2	9.5	4	8.7	3	21.4	13	17.8	6	40.0	35	22.6	73	18.1
20 – 49	12	15.0	2	9.5	4	8.7	3	21.4	14	19.2	3	20.0	32	20.7	70	17.3
50 or more	1	1.3	1	4.8	4	8.7	0	0.0	6	8.2	2	13.3	22	14.2	36	8.9
TOTAL	80	100.0	21	100.0	46	100.0	14	100.0	73	100.0	15	100.0	155	100.0	404*	100.0

\* Foundations for which no information on staff size was available were excluded from this table.

Note: Due to rounding, totals might not add up to 100%.

## How Do Current Leaders Describe the Factors that Advance Careers in Philanthropy?

Key comments from leaders participating in the studies included the following:

- ▶ Thirty percent of the Field Leaders Advise interviewees identified mentors as having an important role in their careers.

**Table 8: New Hires by Foundation Staff Size and External or Internal Appointment**

STAFF SIZE	APPOINTMENT				TOTAL	
	External		Internal			
	#	%	#	%	#	%
Fewer than 5	99	31.0	25	29.4	124	30.7
5 – 9	80	25.1	21	24.7	101	25.0
10 – 19	55	17.2	18	21.2	73	18.1
20 – 49	58	18.2	12	14.1	70	17.3
50 or more	27	8.5	9	10.6	36	8.9
TOTAL	319	100.0	85	100.0	404*	100.0

\* Foundations for which no information on staff size was available were excluded from this table.

Note: Due to rounding, totals might not add up to 100%.

**Table 9: Race/Ethnicity and Gender of Appointee\* by Appointee Prior Organization**

RACE/ETHNICITY	PRIOR ORGANIZATION				TOTAL	
	Foundation		Non-Foundation			
	#	%	#	%	#	%
White/Caucasian	101	78.3	224	82.1	325	80.9
African American	15	11.6	27	9.9	42	10.5
Latino(a)/Hispanic	9	7.0	16	5.9	25	6.2
Asian American	4	3.1	5	1.8	9	2.2
Other	0	0.0	1	0.4	1	0.3
TOTAL	129	100.0	273	100.0	402*	100.0
GENDER	#	%	#	%	#	%
Male	61	42.4	163	55.6	224	51.3
Female	83	57.6	130	44.4	213	48.7
TOTAL	144	100.0	293	100.0	437*	100.0

\* Appointees for whom information on race/ethnicity or gender was not available were excluded from this table.

Note: Due to rounding, totals might not add up to 100%.

- ▶ These leaders also said that infusing executive leadership development programs with practical experiences in grantmaking gives emerging leaders “a leg up.”
- ▶ Field leaders emphasized the influential role of search firms and search committees.<sup>9</sup>
- ▶ Overwhelmingly, interviewees suggested that as new program models (such as the Pathways project and leadership development programs) are considered, those models offer opportunities for program participants to engage in self-reflection about their leadership skills, strengths, and weaknesses.

## How Does the Study Sample of Hiring Foundations Compare with All U.S. Foundations?

Foundations included in this study are not representative of the nation’s estimated 70,000 foundations or of all foundations with one or more staff members. Comparisons of staff size and geography provide the most illustrative examples of the differences between foundations included in the study and all foundations:

- ▶ While only 30.7 percent of this study group consisted of small foundations (those that had fewer than five employees), this type of foundation represents the largest proportion of all American foundations (78.2%).<sup>10</sup>
- ▶ Regional incidence of hiring is relatively close to the percentage of foundations in each region, with the exception of the West, where 22.3 percent of the foundations hired a new CEO although they represent only 17.9 percent of all foundations. In the other three regions, the number of chief executives appointed correlate with the total number of foundations in each of those regions.<sup>11</sup>

# Questions for Further Research

A major goal of this project was to substitute assumptions and anecdotal information with actual data about the appointment of philanthropic leaders and the career pathways to leadership success. These studies offer an *initial* descriptive effort undertaken with the knowledge that they would likely raise more questions than they answered. Nonetheless, the studies create an important baseline for the philanthropic community as it considers and uses leadership development strategies and employs talent management and acquisition activities and programs. Future research might consider the following issues:

## ***What is the status of upward mobility in the field of philanthropy?***

These studies highlight the fact that there is no obvious or single route to the highest executive levels in philanthropy for most individuals, especially those already working in the field. But the findings indicating that the majority of newly appointed executives are from outside philanthropy do raise questions about upward mobility in the field and also the notion of “insider” versus “outsider.” If being an “insider” or having worked for a grantmaking organization is not a salient criteria for being appointed to top positions, then the focus must be on leadership experience and skills.

## ***What are the costs of high turnover in the field?***

While the foundations studied are not representative of all U.S. foundations, the fact that public foundations appointed more than one in every three CEOs raises a number of questions that deserve further study. For example, is the tenure of CEOs in public foundations shorter than CEO tenure in other types of foundations? As we know, high turnover is very costly to the entire sector. Future work in this area needs to focus attention not only on creating philanthropic leaders but also on helping grantmakers and candidates judge a good fit.

## ***What are the core competencies necessary for effective leadership?***

The Council has focused its attention on articulating leadership competencies. Are there specific competencies needed for different types of foundations, or is there a core set of leadership competencies applicable to all? While this is a crucial question,<sup>12</sup> an equally relevant question for study focuses on the appointment process *per se*. Because some attributes of foundations vary a great deal (e.g., foundation type, asset size, and staff size), to what degree do these differences influence the appointment process?

## ***What role do demographics play?***

What role, if any, do personal demographics, such as gender, race and ethnicity, birthplace, physical ability, sexual orientation, class, and age, etc. have in the selection and appointment process?

## ***What is the precise hiring process?***

Is there a formal internal and/or external search committee or is it an informal group? What role, if any, does networking have in the process? Is there an attempt to have a broad search or is it conducted primarily through a small network? Does the search include any special focus on diversity and inclusion? Where is the search announced and publicized?

## ***Is there a specific pool of candidates?***

If so, what is the size and composition of the pool? If there is a final pool of candidates, what are the distinctions between the overall search pool and the final set of candidates? What do unsuccessful candidates perceive to be the reasons they did not obtain the position? To what extent do candidates perceive the reason to be personal characteristics, connections (or lack of connections) with networks, or prior position?

# Conclusion

The Council on Foundations is dedicated to assisting all foundations—large and small, national and regional, and regardless of constituency—to find leaders who are the absolute best that American society has to offer and who reflect our nation’s diversity. To help sustain the Council’s leadership mission, the long-range goal of the Pathways project is to support greater awareness and transparency in the *total appointment process*, as well as to obtain and disseminate new knowledge that will benefit the entire philanthropic sector.

# Endnotes

- 1 While there are many other senior positions of influence and importance in philanthropy, such as executive vice president, chief investment officer, chief technology officer, chief financial officer, and the like, this first phase of the research was aimed squarely at the most senior level staff position.
- 2 This study includes information about foundations and grantmakers having no reported staff before this executive appointment.
- 3 Marla Cornelius, Patrick Corvington, and Albert Ruesga, *Ready to Lead: Next Generation Leaders Speak Out* (CompassPoint Nonprofit Services, The Annie E. Casey Foundation, and Meyer Foundation, 2008). Available at [www.compasspoint.org/assets/521\\_readytolead2008.pdf](http://www.compasspoint.org/assets/521_readytolead2008.pdf).
- 4 Thomas J. Tierney, *The Nonprofit Sector's Leadership Deficit* (The Bridgespan Group, Inc., 2006). Available at [www.bridgespan.org/nonprofit-leadership-deficit.aspx?resource=Articles](http://www.bridgespan.org/nonprofit-leadership-deficit.aspx?resource=Articles).
- 5 "In general, infrastructure is the underlying framework or foundation that supports the activities of a system or community." *Nonprofit Quarterly*, Winter 2008. (Some examples of infrastructure organizations are regional associations, funder networks, affinity groups, etc.)
- 6 Obviously, some staffed foundations appointed chief executives without a public announcement or with announcements in sources other than the two that were used for this study. Such appointments were not included in this study.
- 7 Of the 440 total appointees surveyed, race and ethnicity data were captured from 402 individuals or 91 percent of the total number of appointees. Gender information was captured for 437 members of the study cohort.
- 8 The data set included 36 corporate foundations and grantmakers. Racial and ethnic data were available for 32 of those institutions.
- 9 An October 22, 2009, Council-hosted conversation with CEOs, trustees, representatives of search committees and search firms, HR officers, and infrastructure colleagues marked the beginning of this education process. The Council's convening role also might help to identify ways for current leaders in philanthropic organizations to engage in similar self-reflective activities—including examining such issues as organizational climate, fostering culturally competent institutions, and board management. Findings from such activities could result in additional field and leadership engagement strategies.
- 10 Data from The Foundation Center and The Foundation Center's Statistical Information Service, 2008. [http://foundationcenter.org/findfundors/statistics/pdf/02\\_found\\_growth/2007/03\\_07.pdf](http://foundationcenter.org/findfundors/statistics/pdf/02_found_growth/2007/03_07.pdf). <http://foundationcenter.org/findfundors/statistics/listing01.html>.
- 11 Ibid.
- 12 Lynn C. Burbridge, William A. Diaz, Teresa Odendahl, et al., *The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field* (San Francisco: Joint Affinity Groups, 2002).



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